

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE DOER.
D. T. E. 05-27

Date: June 30, 2005

Responsible: Lawrence R. Kaufmann, Consultant (PBR)

DOER 1-2: Please explain the underlying assumptions of the Company's use of the same productivity and inflation differentials that were approved for Boston Gas for Bay State's Rate Indexing Proposal.

Response: Please see the response to DTE-4-29.

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- DOER 1-3: Adopting the assumption used by the Department in past proceedings that an ideal PBR formulation uses a price index that is related to the costs found in the specific company or industry, please explain the relationship between GDP-PI and gas utility costs, including in your response the following information:
- a. an identification of available gas industry inflation indices;
 - b. an explanation addressing the use of a more indicative inflation factor, such as timely Bureau of Labor Statistics data to compute an index of gas distribution costs; and
 - c. an explanation addressing the need to include an input-price adjustment to the X-factor if a more appropriate index of gas distribution costs were calculated.

Response: In DTE 03-40, the Department ruled that the X factor should contain a 0.3% inflation differential. When this differential is included in the X factor, the GDP-PI is a good measure of the industry's measured input price trend.

Other inflation series for the US natural gas industry are available from the Bureau of Labor Statistics (BLS), but none are suitable to use as an inflation measure in a PBR plan for Bay State's gas distribution services. One reason is that, beginning in January 2004, the Bureau of Economic Analysis changed its basis for industry classification from the 1987 Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). The NAICS was developed in cooperation with Canada and Mexico and presents a more detailed classification of economic activity in North American economies. Many NAICS codes were either created new or derived from parts of other SIC codes. There were considerable changes to the gas distribution classification. The NAICS code for natural gas distribution (22121) was constructed from all of SIC codes 4924 (natural gas distribution), 4925 (mixed, manufactured or liquefied petroleum gas production and/or distribution) and 4932 (gas and other services combined (natural gas distribution)), as well as parts of SIC codes 4823, 4931, and 4939. The NAICS code for natural gas distribution is therefore not compatible with the previous SIC code for gas distribution, so this index does not have a time series that is long enough to estimate the industry's long-run inflation trends. Indeed, the price index for natural gas distribution begins only in

2003, and the component indices for other SIC codes used to construct NAICS 22121 were discontinued after 2003.

In addition, the current "gas distribution" inflation index includes many activities in addition to gas distribution *per se*. This is evident by considering the component indices used to construct this index. Importantly, the price index will include the commodity cost of gas in addition to the prices for gas distribution itself. Changes in the price of commodity gas should not be reflected in an inflation measure used in Bay State's PBR plan. The inclusion of these gas commodity costs is probably the main reason the producer price index for natural gas increased by a total of 17.3% in the seventeen months from December 2002 (the initial index value) to May 2005 (the most recent value, preliminary data). This dramatically outpaces GDP-PI inflation over this period but does not reflect changes in the prices of inputs Bay State uses to provide gas distribution *per se*.

All these reasons are sufficient to reject the use of these BLS indices in a gas distribution PBR plan and to rely, instead, on the GDP-PI as an inflation measure, which has been used as the inflation factor in all gas indexing PBR plans approved in Massachusetts.

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DOER 1-4: Refer to Exhibit BSG/LRK-1, p. 4, where it states "TFP growth is defined as the change in the total output supplied minus the change in inputs used to produce output...Input price growth refers to inflation in the prices paid for the inputs used in production." Does the Company's proposed X-factor exclude any input or cost elements either for the natural gas industry or the U.S. economy as a whole?

Response: The Company's proposed X factor is based on the TFP and input price studies submitted in DTE 03-40. For the gas distribution industry, these studies included all inputs used in gas distribution *per se* but excluded the cost of gas, which can be viewed as a "cost element ...for the natural gas industry." The productivity and input price measures for the US economy were developed using work from the US Bureau of Labor Statistics (multifactor productivity, or MFP, trend) and the US Department of Commerce (GDP-PI). The GDP-PI measure references the US economy as a whole, while the MFP measure is based on productivity trends for the entire US private business sector.

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DOER 1-5: Please explain whether the proposed X-factor would be the same for all Northeast gas companies, and, if so, please reconcile this with the conclusion that Bay State is a “significantly superior O&M cost performer within the US gas distribution industry” (BSG/LRK-1, p. 14).

Response: X factors would not be the same for all Northeast gas distributors. In particular, X factors would vary by company depending on the consumer dividend. The fact that Bay State is a “significantly superior O&M cost performer” means that it has less “fat to cut” than a typical gas distributor. Accordingly, the consumer dividend and X factor in Bay State’s plan should be lower than those approved for an average gas distributor in the region.

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DOER 1-6: In the previous benchmarking for Boston Gas (03-40), Boston Gas costs were found to be 27% below their predicted value, which is higher than the 14% that is reported for Bay State Gas (BSG/LRK-1, p. 14). Please reconcile this observation with the statement that Bay State's cost reductions due to the rate freeze were much greater than for Boston Gas (BSG/LRK-1, p. 13).

Response: The cost differentials cited for the Boston Gas and Bay State studies are not comparable (e.g. the former applies to total gas distribution costs while the latter applies to O&M costs), so there is no need to reconcile any differences.

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Responsible: Lawrence R. Kaufmann, Consultant (PBR)

DOER 1-10: Refer to Bay State's response to DTE-4-36. Please provide the same calculations for the "gas distribution industry," as defined for use in the X factor formula.

Response: Analogous to those presented in the response to DTE-4-36, the attached spreadsheet presents total factor productivity (TFP) trends for the 1993-2001 period for the Northeast gas distribution industry. We have not updated this TFP study beyond 2001 and therefore do not have industry TFP observations for 2002 or 2003, as presented for Bay State in the response to DTE-4-36. For comparisons sake, we have also included the TFP trend for the Northeast gas distribution industry for the 1990-2001 period, which was used to determine the X factor for Boston Gas in DTE 03-40.

It can be seen that the industry TFP trend is fairly stable when using the comprehensive output index (*i.e.* includes both customer numbers and throughput). The average rate of TFP growth was 0.58% over the 1990-2001 period and 0.59% over the 1993-2001 period. However, TFP trends are much more volatile if either customer numbers or throughput alone is used to measure output. This reflects the fact that gas distribution is a multiproduct industry, and measuring productivity with only a single output leads to an incomplete and potentially distorted view of TFP performance.

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Responsible: Lawrence R. Kaufmann, Consultant (PBR)

- DOER 1-17: Refer to Exhibit BSG/LRK-1, p. 18 and the discussion of the earning share mechanisms.
- a. Please provide the actual return on common equity values for Boston Gas and Bay State Gas for the years 1990-2003.
 - b. Please explain the relationship between the value chosen for an X-factor and the future return on common equity values.
 - c. Please explain whether the bandwidth established in D.P.U. 96-50 is still applicable in the current low-interest-rate environment.

Response:

- (a) Pacific Economics Group does not have information on the actual return on common equity earned by Boston Gas in the years 1990-2003.
- (b) There is no relationship between the value chosen for the X factor and the "future return on common equity values," which do not and cannot exist at present.
- (c) The bandwidth established in DPU 96-50 remains applicable in the current interest rate environment. The Department approved an identical bandwidth less than two years ago for Boston Gas in DTE 03-40, when the interest rate environment was similar to what prevails today.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT COUNCIL
D. T. E. 05-27

Date: June 30, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

- MOC-1-1 For the years 2002 through 2005 (to date), please provide the following information:
- (a) The annual amount of the Company's advertising, marketing and sales promotion expenses;
 - (b) The amount of the Company's advertising, marketing and sales promotion expenses recovered through rates; and
 - (c) A detailed list of the advertising, marketing and sales promotion expenses by type — including, but not limited to, expenses spent on print advertising, TV advertising, radio advertising, contractor incentives, advertising subsidies, equipment rebates and/or equipment giveaways.

Response: (a) The Company's total advertising, marketing and sales promotion expenses for the years 2002 through May of 2005 are as follows.

2002	\$356,751
2003	\$185,330
2004	\$310,266
2005	\$114,023

(b) The amount currently included in rates is \$471,355.

(c) The list of advertising, marketing, sales and promotion expense by type is presented in the table on page 2. Some detail is not available for expenses incurred or credits received in 2002 and 2003 and is excluded from the table.

Advertising, Marketing and Sales Promotion by Type

	2002	2003	2004	2005
Print Advertising	279,846	169,900	242,105	107,523
Radio Advertising	0	0	16,850	2,750
Contractor Incentives	13,770	3,700	2,000	0
Customer Rebates and Incentives	9,809	5,803	27,553	0
Other - On Hold Messaging	1,064	801	980	306
Marketing Lists	1,965	0	9,305	354
Other Trade Ally Expenses	69,397	6,706	11,609	3,090
Customer and Trade Ally Meeting	3,872	0	0	0
Total	379,722	186,910	310,402	114,023

Expenses in 2004 and 2005 can be broken out in greater detail.

Print Advertising	2004	2005
Guardian Care	126,101	4,762
Rental Water Heaters	3,393	12,503
Annual Inspections	64,984	40,737
Furnace and Boiler Installations	29,269	28,177
Natural Gas Conversion Package	18,356	0
Builder Developer Gas Installation Package	0	21,343
Total	242,105	107,523

Radio Advertising	2004	2005
Furnace and Boiler Installations	11,000	1,375
Rental Water Heaters	5,850	1,375
Total	16,850	2,750

Other Trade Ally Expenses	2004	2005
Participating Contractor Brochure	3,338	3,090
Homebuilders Association Dues	1,935	0
Contractor Mediation	6,336	0
Total	11,609	3,090

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Date: June 30, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

MOC-1-3 Please indicate the amount of advertising, marketing and sales promotion expenses for which the Company is seeking DTE approval to recover through rates.

Response: The amount the Company is seeking recovery of from ratepayers is shown in Table MOC-1-3, below.

TABLE MOC-1-3

Total advertising, marketing and sales promotion	\$310,266
Amount booked below the line	\$40,573
Amount billed to Northern Utilities	<u>\$29,148</u>
Amount seeking recovery from MA ratepayers	\$240,545

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RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT COUNCIL
D. T. E. 05-27

Date: June 30, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

- MOC-1-4 For the years 2002 through 2005 (to date), please provide the following information with regard to the Company's advertising, marketing and sales promotion expenses:
- (a) the annual amount of such expenses used for company image enhancement (i.e., general information regarding Bay State Gas Company);
 - (b) the annual amount of such expenses used to provide existing customers with information (i.e., gas safety messages, conservation information, etc.);
 - (c) the annual amount of such expenses used for promotional purposes (i.e., advertisements and promotional programs designed to attract new customers, to add load, and to encourage conversions from alternate fuels to natural gas); and
 - (d) the annual amount of such expenses used for contractor and trade ally programs (i.e., trade ally incentives, advertising subsidies, training, rebates and equipment giveaways, etc.).

Response: (a) The Company has not expended any dollars for the purpose of image enhancement.

(b) For communications to customers including conversation messages, bill inserts, construction advertising, outside services for press releases, communications and layout, the Company expended the following amounts:

2002	\$85,178
2003	\$149,212
2004	\$223,925
2005	\$75,190

(c) The annual amount of advertising, marketing and sales expenses used to attract new customers, to add load, and end to encourage conversions is presented below. This total includes the amount listed in section (d).

2002	\$98,812
2003	\$17,591
2004	\$68,823
2005	\$24,788

(d) The following is the annual amount used for contractor and trade ally programs from 2002 through May of 2005.

2002	\$17,641
2003	\$ 3,700
2004	\$ 2,000
2005	\$ 0

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RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT COUNCIL
D. T. E. 05-27

Date: June 30, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

MOC-3-9 At pages 71 and 72 of his testimony, Mr. Skirtich references exhibit BSG/JES-5 which includes copies of advertising materials that Bay State has used during the test year. The copies are preceded by a summary sheet separately listing and describing the advertising material and the various cost components and total cost for each item. With regard to this exhibit, please provide the following information:

(a) It appears that the summary page does not match the attached advertisements. Beginning at line 5, the summary page references "radio spots" while the "line 5" exhibit reflects an additional piece of direct mail. The line descriptions that follow do not appear to match the accompanying exhibits (lines 5-11). If this is a misinterpretation of the exhibit, please explain. If there is an error in the exhibit, please provide a corrected copy.

(b) Line 10 of the summary page refers to "Co-op Advertising Rebate". Please identify and describe this particular item and the reason(s) that such rebate is paid to the Company.

Response: (a) Please see Attachment MOC-03-09 for a corrected copy of Exh. BSG-JES-5

(b) The Company's contract with its Water Heater Supplier specified a co-op advertising rebate of 50% of advertising expenses promoting the product.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT
COUNCIL
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

MOC-4-1 At pages 55-56 of his testimony (BSG/SHB-1), Mr. Bryant states that the Company's EP&S division provides five separate services identified as (1) the Guardian Care Service Business; (2) the Water Heater Rental Business; (3) the Boiler and Service Sales and Installation Business; (4) Annual Inspections; and (5) Fee for Service. With regard to these services:

(a) please give the Company's reason(s) for including certain services above the line and others below the line; and

(b) please indicate whether EP&S personnel are dedicated exclusively to one of the five businesses or if personnel perform work on each of the five businesses. If personnel work for more than one of the service offerings, explain how the Company allocates the cost of the EP&S management and employees between services that are above the line and services provided below the line.

Response: (a) I do not know the reason that certain products are included above the line and some products are below the line.

(b) Only two employees in the EP&S Department are dedicated exclusively to one of the businesses, water heater installations. All other personnel in the EP&S department are charged to the EP&S business as an overhead expense. The cost of EP&S management and employees that are shared above and below the line are allocated approximately equal to the ratio of direct labor that is charged above and below the line to EP&S services.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT
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D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

- MOC-4-6 Please verify that the Company's website is located at www.baystategas.com and provide the following information:
- (a) please identify who designs, maintains and updates the Company's website;
 - (b) please give the annual costs relating to website design, management and upkeep for years 2002 to 2005 (to date); and
 - (c) please indicate whether the Company splits website costs with any affiliate company and the amounts, if any.

- Response: The Company's website is located at www.baystategas.com.
- (a) Responsibility for content and design of the Bay State Gas Web site is shared by a multidisciplinary team that includes representation from Communications, Regulatory Compliance, Customer Contact Center, and IT business units.
 - (b) That information is not readily available as MOC-4-6(a) states, the design, management and upkeep of the website is a shared responsibility of some internal employees.
 - (c) Yes. The Company shares resources across affiliate companies regarding website management.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-1-3 Please explain all of the discrepancies between staffing levels as reported by the company in DTE 05-12 and DTE 04-12. (For example, in DTE 05-12, Bay State reported the following FTEs by year: 815 (1998); 782 (1999); 735 (2000), 671 (2001), 532 (2002), and 504 (2003), whereas it reported the following FTEs in DTE 04-12: 950 (1998), 911 (1999), 853 (2000), 781 (2001), 622 (2002), and 592 (2003). To the extent that the discrepancies are due to recategorizing whether employees are full-time versus part-time, or considered on Bay State's payroll versus the payroll of a another NiSource company, or for any other reason, please provide an explanation.

Response: The staffing levels reported in DTE 04-12 included employees of Bay State's subsidiary, Northern Utilities. The staffing levels reported in DTE 05-12 excluded Northern employees.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM LOCAL UWUA 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-1-11 (a) For the period January 1, 1998, please provide a copy of any all formal citations, fines, or letters from any local, state or federal authority, agency or regulator regarding any safety violation, infraction or incident involving Bay State. Specifically include any such materials regarding the gas explosion in Attleboro in 1998 and any materials regarding Dig Save violations on the company's system.

(b) Please list all law suits, claims or demands made by any person or entity claiming injury or damage in connection with Attleboro Gas explosion.

(c) Please list any and all amounts paid (or agreements to make payments in the future) by Bay State, any affiliated company, or any of the company's insurers, to any person or entity claiming injury in connection with the Attleboro Gas explosion.

Response: **BULK ATTACHMENTS**

(a) See Attachment UWUA-1-11 (a), a list of Digsafe violations. UWUA-1-11 (b), a list of letters regarding potential violations. PDF files with the letters referenced in UWUA-1-11(a) are located at Attachment UWUA-1-11 (c).

(b) The law suits against Bay State were:

1. Poncin v. Central Locating Service et al., Bristol Superior Court No. 98-1067;
2. Hewitt v. Central Locating Service et al., Bristol Superior Court No. 98-1068;
3. Cote et al. v. Central Locating Service et al., Bristol Superior Court No. 98-1066;
4. Shirley Boss v. City of Attleboro, Bay State Gas Company and Central Locating Service, Ltd., Bristol Superior Court Civil Action No. BRCV2001-00083;

5. Christopher Burns and Tracey Burns v. City of Attleboro, Bay State Gas Company and Central Locating Service, Ltd., Bristol Superior Court Civil Action No. BRCV2001-00083;
6. Chum Chhoy v, City of Attleboro, Central Locating Service, Ltd., and Bay State Gas Company, Bristol Superior Court Civil Action No. BRCV2001-0174;
7. Dolores T. Dufort and James Dufort v. Central Locating Service, Ltd., Bay State Gas Company, Richard Bray and City of Attleboro, Bristol Superior Court Civil Action No. BRCV2001-00259;
8. Gerard O. Duphily, Jr. and Betty Duphily v. Central Locating Service, Ltd., Bay State Gas Company, Richard Bray, Asplundh Subsidiary Holdings, Inc. and Asplundh Tree Expert Company, Bristol Superior Court Civil Action No. BRCV2001-0119;
9. Metropolitan Property and Casualty Insurance Company v. Central Locating Service, Ltd. And Bay State Gas Company, Middlesex Superior Civil Action No. 01-0861L;
10. Sar Peter Sek and Nap Him, Parents and Next Friends of Kellie Thy v. Central Locating Service, Ltd., Bay State Gas Company, Richard Bray and City of Attleboro, Bristol Superior Court Civil Action No. BRCV2001-00260; and
11. Marcel Tabor and Lynn Tabor v. Central Locating Service, Ltd., Bay State Gas Company, Richard Bray and City of Attleboro, Bristol Superior Court Civil Action No. BRCV2001-00180.

There were also miscellaneous subrogation claims asserted, all of which were forwarded to Central Locating Service's adjuster to be handled. None of these results in law suits and none of these were paid by Bay State.

In addition, there was an insurance coverage declaratory judgment action with claims and counter-claims. Bay State v. Acceptance Insurance Co., U.S. District Court No. 00-40189. That suit addressed the question of whether Bay State was entitled to coverage as an additional insured on Central Locating Service' policies.

(c) Bay State contributed its self insured retention of \$1,000,000 (one million dollars) to the settlement of the Poncin and Hewitt wrongful death

cases. Bay State's insurer, National Union (AIG) paid \$3,000,000 (three million dollars) of that settlement. Bay State's insurer, AIG, paid \$180,000 (one hundred eighty thousand dollars) toward the settlement of the Tabor claim. Bay State's insurer, AIG, paid \$1,250,000 (one million two hundred thousand dollars) to Central Locating Service and its insurer, Federal (Chubb) after an unfavorable verdict at trial of the liability phase of the contribution case.

The total amount paid by Bay State out of its own funds was \$1,000,000 (one million dollars). The total amount paid by Bay State's insurer, AIG, was \$4,350,000 (four million three hundred fifty thousand dollars). There are no agreements to make future payments.

Note - Central Locating Service and its insurer, Chubb/Federal paid \$16,000,000 (sixteen million dollars) to settle the claims against it in the Poncin and Hewitt wrongful death cases. They also paid \$300,000 (three hundred thousand dollars) to settle the Tabor case. It also paid approximately \$5,000,000 (five million dollars) to settle other claims.

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FIRST SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-1-14 For the period January 1, 1998 to present, please provide a description, with a list of locations, of the types of buildings, offices, etc. where Bay State customers can pay their bills in person, including (i) company-owned or company-rented facilities; (ii) pay stations (e.g., convenience stores that accept customer payments under arrangement with Bay State); and (iii) any other type of location. To the extent these locations have changed over this period, please list all such changes, including both the opening or closing of any location.

Response: (i) From prior to January 1, 1998 until June 1, 2001, customers were able to pay a bill at a cashier station located in our Brockton, Springfield and Lawrence operation centers. On June 1, 2001, the company made a decision to close these facilities to walk-in customers. Beginning 60 days prior to the June 1 date, the company ensured that all customers were notified of the office closing in each face-to-face contact situation encountered by our employees. Information packets distributed to each walk-in customer explained the many other payment options that are available.

(ii), (iii) Payment agencies (e.g., convenience stores that accept customer payments under arrangement with Bay State) have always been available to customers for many years. These agencies are located throughout our service territory generally in locations that are convenient for our customers. The list of active agents changes periodically as some agents leave the network and others join, or ownership of the payment agency establishment changes.

Attachment UWUA-1-14 (a) is a copy of the most recent list of payment agents currently enrolled in the program.

The Company also makes available other payment channels that a customer may utilize to make payment on their account. Please refer to Bay State's response to UWUA-2-15 for further discussion of these payment options.

BAY STATE GAS PAYMENT AGENCIES

Bay State Gas Company
DTE 05-27
Attachment UWUA - 01-14
Page 1 of 3

AGT #	AGENT'S NAME	ADDRESS	CITY	STATE	TEL. #	PMT TYPE		
As Of: 7/2/2005 13:25								
Brockton								
203266	Your Convenient Store	880 Brockton Ave	Abington	MA	781-857-1034	All		
448854	Asian American Bank	230 Harvard Av	Allston	MA	617-738-1717	Cash		
211884	Mayfair Foods	506 Cambridge St	Allston	MA	617-782-5539	All		
172590	Bank-St-Appliance	13 Bank St	Attleboro	MA		?		
460974	Bay State Check Express	1037 Washington	Attleboro	MA	508-399-0100	Cash		
174166	Dodgeville Country Store	408 S Main St	Attleboro	MA	508-222-9802	All		
448456	Norm's Emporium	9 Park St	Attleboro	MA	508-222-5234	All		
823867	A&J Seabra Supermarket #7	217 South Main St	Attleboro	MA	508-222-7910	All		
174242	Ro-Jack's Food Stores	217-219 S Main St	Attleboro	MA	508-339-2223	All-up to \$500		
213427	Avon Pharmacy	133 Main St	Avon	MA	508-583-4946	All		
458384	A-1 Market	85 East Main St	Avon	MA	508-588-0830	All		
	Bellingham Shop & Go	15 Mechanic St	Bellingham	MA	508-966-0870	All		
452904	Colonial Pet Food	31 Perkins St	Bridgewater	MA	508-697-0575	All		
451449	American Check Cashing Inc	500 Main St	Brockton	MA	508-584-8350	All		
149399	Montello News Inc	829 N Main St	Brockton	MA	508-583-3724	All		
172943	The Money Market	245 Main St	Brockton	MA	508-427-4343	Cash		
456783	Westside Mini Market	1285 Belmont St	Brockton	MA	508-586-8199	All		
213121	Three Corners Tobacco	44 Maverick Sq	E Boston	MA	617-569-8477	All		
824006	Falmouth Food Mart	336 E Falmouth	Falmouth	MA	508-457-0569	All		
213368	Cortes Country Store	33 Middleboro Rd	E Freetown	MA	508-763-3626	All		
456790	Home Plate	224 Middleboro Av	E Taunton	MA	508-823-1468	All		
449048	Lynn's Variety	915 Washington St	E Weymouth	MA	781-331-0104	All		
460866	Pleasant Market	1305 Pleasant St	East Weymouth	MA	781-335-9085	All		
111495	Village Mini Mart	911 Main St	Hanson	MA		All		
174177	South Shore Communication	305A Nantasket Ave	Hull	MA	781-925-4484	All		
111497	Marie's Variety Store	781 Lakeview Av	Lowell	MA	978-453-4000	All		
451904	Village Variety	1301 Pawtucket Blvd	Lowell	MA	978-454-1315	All		
174243	Ro-Jack's Food Stores	65 Copeland Dr	Mansfield	MA	508-339-2223	?		
452235	Jackanson's	1921 Ocean St	Marshfield	MA	781-834-6300	All		
211853	Lord's Dept Store	446-448 Main St	Medfield	MA	508-359-2361	All		
174455	Polanco Market	51 Center St	Methuen	MA	978-682-7601	All		
454247	Millis Shop & Go	915 Main St	Millis	MA	508-376-2696	All		
172890	Pires and Sons Hardware	14 Center St	N Easton	MA	508-238-7344	Cash		
174327	Ro-Jack's Food Stores	540 Kelly Blvd	N Attleboro	MA	508-339-2223	?		
201528	The Corner Store	233 Sandwich St	Plymouth	MA	508-732-0345	All		
452219	Brennans of Quincy	1442 Hancock St	Quincy	MA	617-786-8610	All		
826290	South Shore Check Cashing	416 Hancock St	Quincy	MA	617-770-0911	All		
454040	Scituate Marketplace	71 Front St	Scituate	MA	781-545-4896	All		
459686	Village Market	71 Front St	Scituate	MA		All		
129572	Oak Hill Mini Mart	545 Central Av	Seekonk	MA	508-339-7611	All		
174245	Ro-Jack's Food Stores	1475 Newman Av	Seekonk	MA	508-339-2223	?		
174241	Ro-Jack's Food Stores	738 Washington St	S Attleboro	MA	508-339-2223	?		
267048	Neil's Convenience	750 Washington St	S Easton	MA	508-238-6997	All		stopped 12/2004
149360	Medical Pharmacy	769 Washington St	Stoughton	MA	781-344-2311	All		stopped 12/2004
201327	New Brazil	4 Porter St Ste 6	Stoughton	MA	781-341-9363	Cash only		May-05
204979	Ricks Mobil	1095 County St	Taunton	MA	508-822-8889	All		
214787	Grampy's Corner Store	165 High St	Taunton	MA	508-822-6395	All		
460959	Bridgewater Quick Stop	47 N Main St	W Bridgewater	MA	508-588-2190	All		
461243	Variety Store	94 Meadow St	Westfield	MA	413-562-0554	All		
266949	Foodmaster Supermarket # 12	688 Bedford Street	Whitman	MA		All		
Springfield								
451170	Agawam Mini Market	703 Main St	Agawam	MA	413-821-6934	Cash		

BAY STATE GAS PAYMENT AGENCIES

Bay State Gas Company
DTE 05-27
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AGT #	AGENT'S NAME	ADDRESS	CITY	STATE	TEL. #	PMT TYPE		
					As Of:	7/2/2005 13:25		
5111	Hanks Variety	457 Granby Rd	Chicopee	MA	413-594-7604	Cash		
172336	Louis & Clark Drug #165	1481 Memorial Dr	Chicopee	MA	413-534-5677	All		
214205	Mail Boxes Etc #1144	1981 Memorial Dr	Chicopee	MA	413-539-9112	All		
172448	Money Stop	1098 Chicopee St	Chicopee	MA	413-732-3988	Cash		
456493	Union Mart	123 Cottage St	Easthampton	MA	413-527-1148	All		
456493	Jones Newsroom	81 Main St	Easthampton	MA	413-527-9802	All		
172310	Center Pharmacy Inc.	242 State St	Granby	MA	413-467-7022	All		
258940	Corner Delight	95 High St	Holyoke	MA	413-536-1964	All		
172194	Movietown-	534 Main St	Indian Orchard	MA		All	6/1-stop	
453561	Orchard Variety	152 Main St	Indian Orchard	MA	413-543-1396	All		
266993	Alianca Fish Market	223 East St	Ludlow	MA	413-583-2266	All		
173080	Serio's Pharmacy	63 State St	Northampton	MA	413-584-8480	All		
172620	Jane Alden Dairy Store	1469 N Main St	Palmer	MA	413-283-5218	All		
260576	Video Paradise Of Palmer	1478 North Main St	Palmer	MA	413-283-4765	All		
129572	Oak Hill Mini Mart	545 Central Av	Seekonk	MA	508-339-7611	All		
205907	GU Family Market #2829	1475 Newman Av	Seekonk	MA	508-399-5624	All		
458792	Angels Grocery	344 Orange St	Springfield	MA	413-732-6111	All		
214435	Carmans Gift Shop	2684 Main St	Springfield	MA	413-737-3074	Cash Check		
458870	Carmans Gift Shop	1985 Main St	Springfield	MA	413-737-3074	Cash, Check		
172492	Check Cashing Made Easy	794 State St	Springfield	MA	413-733-0130	All		
456925	Dad's Variety Store	1081 State St	Springfield	MA	413-731-9061	All		
455932	Don's Market**8:30-11:30am	500 Page Blvd	Springfield	MA	413-734-8488	All		
458808	Grahms Check Cashing	808 Main St	Springfield	MA	413-781-0843	Cash		
2663	Inner City Fashions	904 State St	Springfield	MA	413-781-1445	Cash		
172341	Louis & Clark Drug	471 Breckwood Blvd	Springfield	MA	413-783-1209	All		
259852	Lucy's Mini Market	935 Washington St	Springfield	MA	413-736-5591	All		
459938	Mcknight Convenience	417 St James Av	Springfield	MA	413-732-7190	Cash, MO		
172698	Money Stop	450 Main St	Springfield	MA	413-732-3988	Cash	May-05	
	Money Stop	1098 Chicopee St	Springfield	MA	413-732-5711	Cash		
172445	Money Stop	590 Boston Rd	Springfield	MA	413-782-8109	Cash		
456808	Wheeler's Convenience	597 Dickinson St	Springfield	MA	413-732-2022	All		
111217	Wheeler's Convenience	954 State St	Springfield	MA	413-732-7312	All		
129565	World Pawn and Loan Inc	522 Sumner Av	Springfield	MA	413-737-5552	All		
206408	Forest Park market	355 Belmont St	Springfield	MA	413-732-3866	All		
823813	Maple Street Market	155 Maple St	Springfield	MA	413-737-2683	All		
823957	Stop & Go Market	91-93 Chestnut St	Springfield	MA	413-746-4440	All		
824048	Cals Deli & Variety	576 Newbury St	Springfield	MA	413-739-2257	All		
824175	Chestnut Park Dairy	135 Dwight St	Springfield	MA	413-787-0651	All		
174424	Corner Pantry-	723 Main St	W Springfield	MA	413-747-7707	All		
458840	Grahms Check Cashing	715 Main St	W Springfield	MA	413-734-6049	Cash, Check		
129341	United Check Cashing	205 Elm St	W Springfield	MA	413-737-1640	All		
211836	Louis & Clark Drug	459 Main St	Wilbraham	MA	413-596-6121	All		
Lawrence								
461486	Record Vilage	105 White St	Haverhill	MA	978-372-2541	Cash, Check	6/8 start	
823934	JP Market	143 Locust St	Haverhill	MA				
460553	Radio Market	61 Locke St	Haverhill	MA	978-373-5081	All		
173783	A & A Baby Shop	28 Newbury St	Lawrence	MA	978-685-1909	Cash		
111504	Bob's Grocery Store	513 Andover St	Lawrence	MA	978-683-3061	Cash		
452872	El Rincon Dominicano	775 Essex St	Lawrence	MA	978-683-4413	Cash		
452872	El Rincon Supermarket	473 Haverhill St	Lawrence	MA	978-685-9588	Cash		
174190	Mount Vernon Variety	58 Beacon St	Lawrence	MA	978-687-7755	All		
449011	Genesis General Serv	167 Lawrence St	Lawrence	MA	978-686-7325	Cash		
174482	Hidalgo Auto Accessories	408 Broadway	Lawrence	MA	978-691-5394	All		

Bay State Gas Company
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COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-1-34 Please state the names and titles of all employees, officers, or executives of any NiSource company and all outside consultants involved in the decision to move forward with the outsourcing process leading up to the recent choice of IBM as the outsourcing vendor. Describe the respective roles of each person named in this response. To the extent not already provided in response to UWUA 1-2, please provide all written and electronic documents (including e-mails to or from Steve Bryant, Robert Skaggs or Gary Neale) that were part of the discussions or process of deciding to move ahead with the current round of outsourcing.

Response: Please see the Company's response to DTE-18-01 and AG-24-02.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-3 Please provide the names of Mr. Bryant's three immediate predecessors, and the job title (e.g., president, CEO, etc.), as well as the dates of their tenures. Include a brief description of each individual's responsibilities in these operational areas: repairs, capital expenditures, customer service, maintenance.

Response: Robert C. Skaggs, Jr.: President, November, 2000 to October, 2003
Direct responsibility for all operational areas.

Jeff Yundt: 1999-2000
Direct responsibility for all operational areas.

Joel Singer, President & co-CEO: 1998
Direct responsibility for all operational areas.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-5 Please provide any analysis or comparisons performed by the company or its consultants to determine whether the test year expenses were in fact representative of "typical" expenses. Please be sure to include any analysis of the test year expenses in any category in comparison to expenses in any prior year or years to determine or evaluate whether the test year expenses were abnormally high or low.

Response: Please see the direct testimony of John E. Skirtich (Exhibit BSG-JES-1). As stated at p. 4, the purpose of this testimony is, among other things, to "address various known and measurable adjustments proposed by Bay State to properly reflect a representative level of costs expected to be incurred by Bay State based on current operating conditions".

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-6 Please provide the level of NiSource's long-term and short-term debt for each year 1998 to 2004. To the extent Bay State carried any long-term or short-term debt in its own name during this period, also include the amounts of debt for Bay State.

Response: Please see Attachment UWUA-02-06.

Line No.	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<i>Designation of Long-term Debt</i>							
1 9.20% Notes, due June 06, 2011	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000
2 8.15% Notes, due August 26, 2022	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$0	\$0
3 7.25% Notes, due August 05, 2002	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	\$0	\$0
4 7.55% Notes, due November 01, 2002	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$0	\$0	\$0
5 7.55% Notes, due December 10, 2002	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0
6 7.45% Notes, due December 16, 2002	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0	\$0
7 7.375% Notes, due November 01, 2002	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$0	\$0	\$0
8 7.37% Notes, due December 31, 2002	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0	\$0
9 7.38% Notes, due December 31, 2002	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0	\$0
10 7.375% Notes, due December 31, 2002	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0
11 7.625% Notes, due July 19, 2023	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$0
12 6.58% Notes, due June 21, 2005	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
13 6.00% Notes, due July 6, 2000	\$10,000,000	\$10,000,000	\$0	\$0	\$0	\$0	\$0
14 6.00% Notes, due July 29, 2003	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$0	\$0
15 6.00% Notes, due January 30, 2001	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0	\$0	\$0
16 7.42% Notes, due September 10, 2001	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0	\$0	\$0
17 6.625% Notes, due June 28, 2002	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0	\$0
18 6.43% Notes, due December 15, 2025	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
19 6.375% Notes, due December 15, 2006	\$20,000,000	\$20,000,000	\$20,000,000	\$0	\$0	\$0	\$0
20 6.26% Notes, due February 15, 2028	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
21 External	<u>\$193,500,000</u>	<u>\$193,500,000</u>	<u>\$183,500,000</u>	<u>\$148,500,000</u>	<u>\$95,500,000</u>	<u>\$68,500,000</u>	<u>\$58,500,000</u>
22 5.40% Notes, due March 21, 2013						\$50,000,000	\$50,000,000
23 5.58% Notes, due December 20, 2019							\$35,000,000
24 5.94% Notes, due December 20, 2024							\$35,000,000
25 Internal	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,000,000</u>	<u>\$120,000,000</u>
26 Total Long-term Notes	<u>\$193,500,000</u>	<u>\$193,500,000</u>	<u>\$183,500,000</u>	<u>\$148,500,000</u>	<u>\$95,500,000</u>	<u>\$118,500,000</u>	<u>\$178,500,000</u>
27 Short-term Debt (year-end)	\$85,975,000	\$116,800,000	\$138,000,000	\$149,245,000	\$218,888,528	\$192,656,450	\$157,939,415

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-8 Please describe in detail the "human resources" services that NiSource Corporate Services performs for Bay State. Include in your answer (i) the extent to which NiSource Corporate Services can either suggest or require that Bay State change the staffing levels in any Bay State department, function or division; (ii) the extent to which Bay State has the authority to decide to change staffing levels and then call upon Corporate Services to assist in implementing those changes; (iii) the extent to which NiSource Corporate Services can either suggest or require Bay State to adopt or follow particular terms or levels of compensation for its employees (salaries, benefits and other compensation).

Response: Nisource Corporate Services provides several types of "Human Resources" support services through the corporate Human Resources Department. These support activities include:

- Benefits policies and administration including medical health care, pension, short and long term disability, death benefits, and other welfare benefits.
- Wage administration
- Labor support including grievance, arbitration and contract negotiations expertise.

(i) Corporate Services is a business support group that provides a number of centralized services to the business units. Included in the centralized services provided are; finance and accounting, billing, collections and meter reading, call center activities, information technology, supply chain, and human resources. Regarding staffing levels for these functions, it is the responsibility of each one of the business support activity leaders to determine the resource levels that they need to provide the levels of service necessary to meet the respective business units needs. That said, it is the responsibility of Bay State leadership to determine the levels of service necessary to meet Bay State business needs. For example, if meter-reading performance were to drop below required SQI levels, Mr. Bryant would require that meter to cash leadership take whatever action would be necessary (including adding staff) to rectify the situation. In the areas under direct Bay State leadership, such as operations or regulatory affairs, it is the responsibility of the leaders of those activities (Mr. Cote and Mr. Bryant respectively) to identify the

resources needed to achieve the required levels of service for the various business activities and to staff them accordingly. This staffing could include a mix of permanent employees, temporary employees, contractors, or consultants as best fits the business needs. Further, NiSource support services does not have authority to order changes in staffing levels to those areas under direct Bay State management. Any discussions on staffing level changes in the Bay State led activities would take place between senior NiSource Corporate leadership and the business segment leaders (Mr. Bryant and Mr. Cote), and on the basis of those discussions appropriate resource levels would be identified. Should that leadership hierarchy determine that staffing level changes are necessary (either increases or decreases) then the HR support group would assist in the resultant staffing process.

- (ii) See answer to (i) above.
- (iii) Nisource Corporate Leadership determines the overall compensation and benefits strategy for the corporation and on the basis of that strategy Human Resources implements the specific programs for those employees not covered by a Collective Bargaining agreement. For employees covered by collective bargaining agreements the business segment leadership and human resources, and the leadership groups of the various unions negotiate the specific compensation and benefits for each group.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

- UWUA-2-16 (a) Does Bay State operate any arrearage forgiveness or arrearage management programs for its low-income customers?
- (b) Is the company familiar with KeySpan's "On Track Program," WMECo's "NU Start Program," or the arrearage management programs being offered by NSTAR? Which individuals at Bay State track or monitor these programs?
- (c) Has Bay State been asked by any group or organization representing low-income consumers to offer an arrearage management program? Who made the request, when was it made, and what was the company's response?

Response:

- (a) The Company does not currently operate an arrearage management program, but has reached agreement with the Low-Income Energy Affordability Network (LEAN) to have a fully operational pilot program by November 1, 2005.
- (b) The Company has discussed the KeySpan and WMECo arrearage management programs with LEAN and has met with representatives of WMECo to discuss program concepts. The Company is not presently tracking or monitoring the arrearage management programs of any other company.
- (c) Please see the Company's response to (a).

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Danny G. Cote, General Manager

UWUA-2-25 Please either provide a reference to the appropriate portions of Mr. Cote's testimony and exhibits or otherwise provide a percentage breakdown of the company's mains by unprotected steel, cathodically protected steel, cast iron, plastic, or any other material type. Please provide the approximate time periods when the company or its predecessor companies would have been installing each type of main.

Response: The percentages by pipe type of the Bay State system are as follows (based on the 2004 year end quantities):

Cast Iron	18%
Bare Steel	10%
Coated Unprotected Steel	2%
Coated Cathodically Protected Steel	43%
Plastic	27%

The approximate installation dates of the pipe types are as follows:

Cast Iron	1850's to the 1940's
Bare Steel	1920's to the 1950's
Coated Unprotected Steel	1940's to the 1960's
Coated Cathodically Protected Steel	1970 to the present
Plastic	Early 1980's to the present

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-40 Please provide a copy of all written training or practice materials provided to (i) EP&S employees [Bryant testimony, p. 51] and (ii) other Bay State employees that in any way provide any guidance about referring low-income customers to the low-income weatherization assistance program and other government-funded programs rather than to EP&S for space-heating or water-heating inspections, repairs or replacements.

Response: The Company does not have any training or practice materials for referring customers to the low-income weatherization and other government-funded programs if they call for "space-heating or water-heating inspections, repairs or replacements."

As a matter of practice, any customer that calls the Company's Demand Side Management Department seeking assistance and/or information related to energy consumption practices or equipment, and that customer either identifies him/herself as eligible for low-income services or is identified in the Company's CIS as receiving a discount rate, that customer is referred to their respective local Community Action Program agency for energy-related services.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

UWUA-2-41 Please provide a copy of any and all complaints that may have been made by or on behalf of any low-income customer, in the nature of any Bay State employee referring the low-income customer to EP&S or offering services from EP&S when in fact the customer could have received heating-system or water-heater services for free or at reduced cost from some other source.

Response: The Company is not aware of any specific complaints made by or on behalf of any low-income customer, in the nature of any Bay State employee referring the low-income to EP&S or offering services from EP&S when in fact the customer could have received heating-system or water-heater services for free or at reduced cost from some other sources.

The low-income affordability network's attorney first informed the Company of one such circumstance during settlement negotiations in DTE 04-39. These issues remained undocumented after requests by the company for specific details.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Danny G. Cote, General Manager

- UWUA-3-1 (a) Please state whether Arthur Oulette is currently employed by Bay State Gas Company in any capacity and, if so, please describe his job title and functions, including whether he is a regular employee or a consultant, and the name of the person to whom Mr. Oulette reports. Include the period of time during which he has held his current position.
- (b) If Mr. Oulette was previously employed by the company in any capacity, please include his previous job title(s) and function(s), and the relevant periods of time during which he held such job title(s) and function(s) as well as the name and title of the person to whom he reported.

Response:

- (a) Arthur Ouellette is currently employed by Adecco performing engineering work (writing tie-in procedures and performing construction estimates) for Bay State as a temporary employee. He has been performing this work from February 23, 2004 to date and reports to Wayne Ngyuen.
- (b) Mr. Ouellette was employed by Bay State as a Distribution Supervisor. He reported to F. William St.Cyr from 1987 to 1998. He reported to Michael Laghetto from 1999 to 2002. He was responsible for planning, directing and controlling day-to-day activities of the gas distribution work force at the Brockton Division.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Danny G. Cote, General Manager

- UWUA-3-2 (a) Please explain the company's supervisory structure for the work of tying in new or replacement gas mines to service lines. Include in your answer the extent to which there are separate supervisors for this work in each of the three geographic divisions, and the extent to which there is overall supervision for the whole state (whether based in Massachusetts, Indiana, or elsewhere), and the numbers of individuals that perform (or have performed) this work for each year 2000 to present.
- (b) For the period January 1, 2000 to present, please list the name of each individual who was authorized to write specifications for tie-in work, including, where applicable, the geographic division (Brockton, Springfield, Lawrence) within that individual's authority or scope of work.

Response: a) In the years 2000 and 2001, the supervision of construction and maintenance activities were commonly supervised at the first line level at one location (Brockton) and had separate supervision for construction in others (Springfield, Lawrence). In Brockton and Springfield there were also Distribution Managers, to whom the construction and maintenance supervisors reported. In Lawrence this layer of management did not exist. These managers (or supervisors in the case of Lawrence), reported to the local operations manager (for Brockton and Springfield) who in turn reported to the VP of Operations. In Lawrence the local Operations Manager reported to the General Manager of the Northern Division, who also reported to the VP of Operations. The only change in this structure occurred in mid 2000 when the VP of Operations was promoted to Executive VP and COO, and the Northern Division General Manager was promoted to VP of Operations. The position of General Manager of the Northern Division was then eliminated.

In the years 2002 and 2003, construction became one function centrally managed through a corporate structure. For each field location there was assigned one Construction Specialist (e.g. one for Lawrence, Brockton, Springfield) who reported to a Front Line Leader in charge of all construction activities for Bay State Gas Company. The front line leader for Bay State reported to the Manager of Construction located in Pa. This manager reported to the VP of Tech Ops for the Energy Distribution East portion of Nisource and was located in Columbus Ohio.

In early 2004 these activities were reorganized, and the construction specialists in all locations reported to their local Operations Managers, who reported to the General Manager/Vice President of Bay State Gas Company.

b) The following tables represent the number of individuals who held leadership positions for construction in Bay State from the year 2000 to the present:

Brockton:

	<u>Cons. Super\specialist</u>	<u>Field Ops Leader</u>	<u>Managers</u>
2000	0	8	2
2001	0	7	2
2002	1	0	1
2003	1	0	1
2004	1	0	1
2005	2	0	1

Lawrence:

	<u>Cons. Super\specialist</u>	<u>Field Ops Leader</u>	<u>Managers</u>
2000	2	0	1
2001	2	0	1
2002	2	0	1
2003	1	0	1
2004	1	0	1
2005	1	0	1

Springfield:

	<u>Cons. Super\specialist</u>	<u>Field Ops Leader</u>	<u>Managers</u>
2000	4	0	2
2001	3	0	2
2002	1	0	1
2003	1	0	1
2004	1	0	1
2005	2	0	1

(b)

For the Brockton Division, the following individuals were authorized to write specifications for tie-in-work from January 1, 2000 to the present:

- Paul Baker
- David Giles
- Ralph Gurney

- Martin Langelier
- Alfred Mattson
- Wayne Ngyuen
- Arthur Ouellette
- Thomas Sheehan
- Francis Silver
- Mike Laghetto
- Bill St. Cyr

For the Lawrence Division, the following individuals were authorized to write specifications for tie-in-work from January 1, 2000 to the present:

- John Nerden
- Bill While
- Dave Difrancesco
- John Nerden
- Joseph Fiorante

For the Springfield Division, the following individuals were authorized to write specifications for tie-in-work from January 1, 2000 to the present:

- Steve Bell
- Ed Radwilowicz
- Dick Bragg
- Tom Harrington
- Dave Ziemba
- Anton Mott
- Dan Breyare
- Mike Knodler
- Ted Dulchinos
- Martin Kulig
- Keith Dalton
- Gerry Gillmeister
- Robert Tetrault
- Roger Ouimet
- Pam Bellino

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: Danny G. Cote, General Manager

UWUA-3-3 Please explain any changes the company expects will be made to the supervisory structure described in response to UWUA 3-2, in connection with the SIR program and the accelerated rate of main replacement that is proposed under the SIR program.

Response: The Lawrence location will have no foreseen changes to the current supervisory structure in connection with the SIR program.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 30, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

UWUA-3-5 (Skirtich, pp. 7-8) Please identify each test year expense that Mr. Skirtich adjusted downward, whether for known and measurable changes that have occurred, for changes that will become known and measurable during the course of this proceeding, or for any other reason.

Response: Table UWUA –3-5 below lists the major adjustments made to expense that reduced the cost of service.

TABLE UWUA-3-5

<u>Description</u>	<u>Amount</u>	<u>Reference</u>
	\$	
Incentive Compensation	(124,422)	Exh. BSG/JES-1, Schedule 6, Page 3, Line 5
Workers Comp Self Insurance Claims	(258,394)	Exh. BSG/JES-1, Schedule 6, Page 6, Line 3
Gain on Sale of Property	(408,197)	Exh. BSG/JES-1, Schedule 6, Page 7, Line 12
Charitable Contributions	(147,271)	Exh. BSG/JES-1, Schedule 6, Page 12, Line 2
Metscan Meter Reading Lease Payment	(2,919,051)	Exh. BSG/JES-1, Schedule 6, Page 17
NSCS Charitable Contributions to BSG	(8,735)	Exh. BSG/JES-1, Schedule 6, Page 11, Line 4
Amortization of Goodwill	(11,127,204)	Exh. BSG/JES-1, Schedule 8, Page 1, Line 1
Depreciation Expense - Metscan - Pro-forma Retirement	(1,301,372)	Exh. BSG/JES-1, Schedule 7, Page 3, Line 44

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-1-9: Provide the number of all customer service complaints at Bay State for each year from 1997 to 2005. Provide a copy of any written complaints and any and all telephone complaint logs.

Response: The Company does not maintain a log of complaints received.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-1-10: When were the phone systems at the Springfield call center last replaced/modernized by the Company? What were the replacement/modernization costs? Describe how the replacement costs were budgeted—*i.e.*, were the replacement/modernization contained within the 2004 annual budget, or spread out over several years, how was the replacement funded, were there any corresponding increases in the overall cost of service to customers in preparation for or as a result of the replacement/modernization. If the Springfield call center work were outsourced to IBM Global Solutions, how would the call center phone system be utilized?

Response: The telephone system for the Springfield, MA call center was last upgraded in October 2003, at a cost of \$255,000. This cost was capitalized and will be depreciated over 15 years. In addition, the Company pays a monthly maintenance cost of \$3,635 to maintain the new equipment.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-1: Provide the results of the Springfield Call Center Morale Surveys for November 2001 and November 2004.

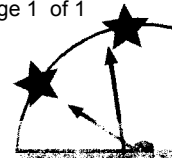
Response: The Contact Center "In-Tough Survey's" were conducted in February 2003 and August 2004. For each survey, an action plan was developed to target improve in specific areas.

Attachment USWA-2-1 (a) is the 2004 survey report.
Attachment USWA-2-1 (a) (1) is the 2004 action plan.

Attachment USWA-2-1 (b) is the 2003 survey report.
Attachment USWA-2-1 (b) (1) is the 2003 action plan.

"in-touch"

CULTURE SURVEY



Survey Results

Contact Center - BSG/NU

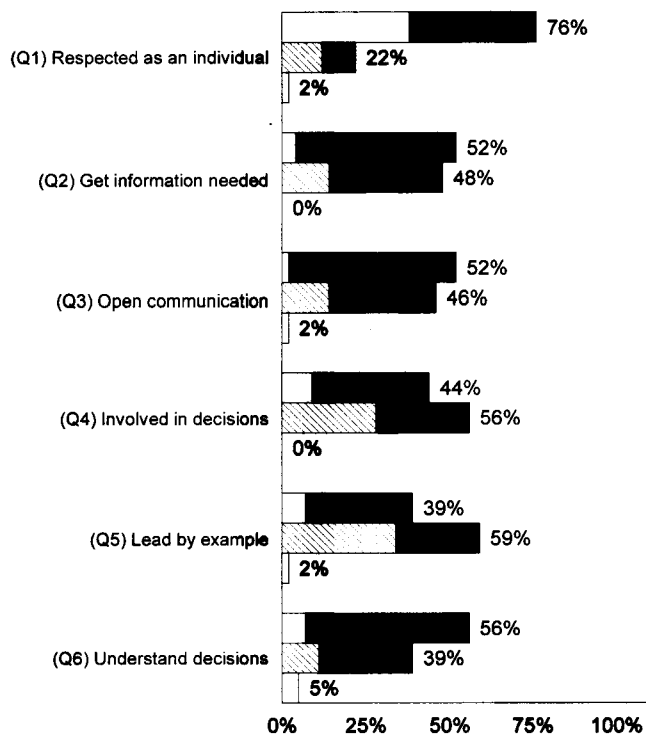
February 2003

Strongly Agree Agree
Top Bar

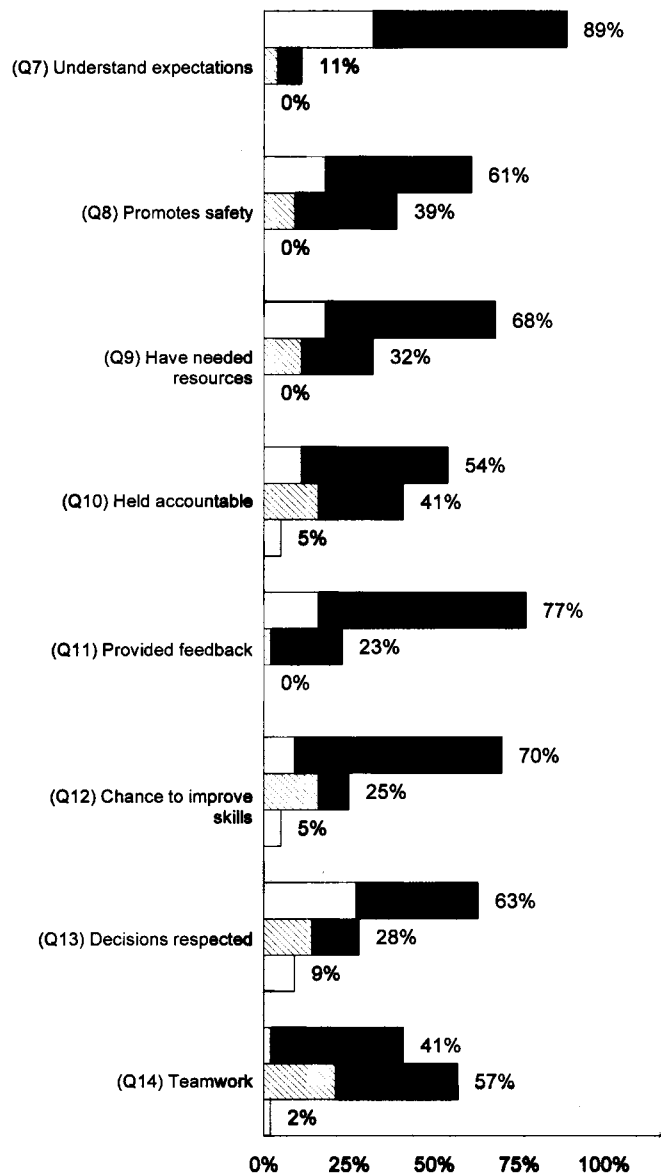
Strongly Disagree Disagree
Middle Bar

No Opinion
Bottom Bar

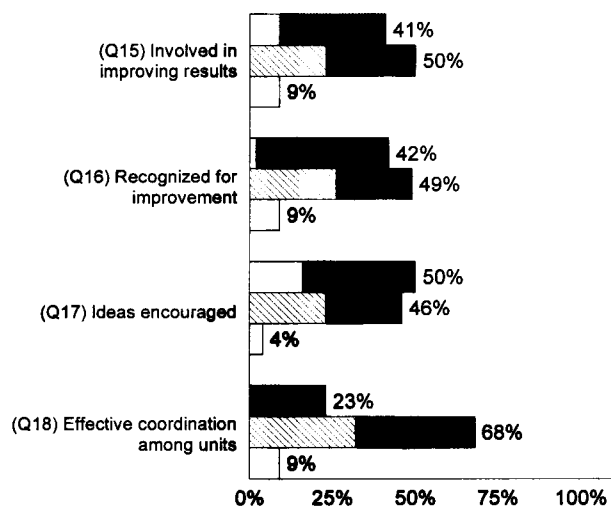
Informed & Engaged Workforce



High Performance Work Team



Environment of Continuous Improvement



2003 Sample Size: (44)

Note: Percentages rounded and forced to equal 100%.

ACTION PLAN

CUSTOMER CONTACT CENTER: BSG <i>2004</i>			
IMPROVEMENT AREA (action item selected): RECOGNIZED FOR IMPROVEMENT			
IDEAS THAT ARE "QUICK HITS"			
Ideas for Improvement	Who Will Do This	Start Date	Completion Date
CARS – Acknowledge improvement in Stats for CSR's TARS – Acknowledge improvement in Team Performance UNAVAILABLE – Acknowledge improvement on a weekly basis	TL's Pat Teague TL's	11/1	Ongoing
Customer Compliments – all acknowledged by E-mail – written or verbal – CSR's to be given Certificate Submit to Corporate for website publication.	TL's	11/1	Ongoing
IDEAS THAT BUILD ON EXISTING INITIATIVES			
Ideas for Improvement	Who Will Do This	Start Date	Completion Date
QA – 100% - recognition – going that extra mile for the Customer	Paula King	11/1	Ongoing
Continuous updates on center performance via E-Mail and TargetVision	Pat Teague	10/1	Ongoing
BRAND-NEW IDEAS			
Ideas for Improvement	Who Will Do This	Start Date	Completion Date
Special Activity Day – Something Fun – recognition of achieving attendance goals	Pat Teague/TL's	2/05	

"in-touch" CULTURE SURVEY

2003 - 2004
 Agreement Comparison

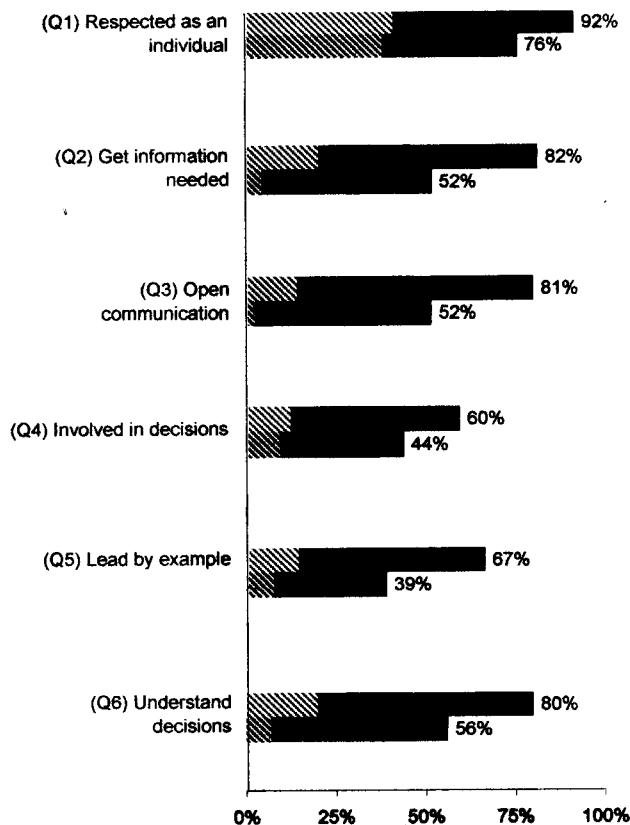
Contact Center - BSG/NU

August 2004

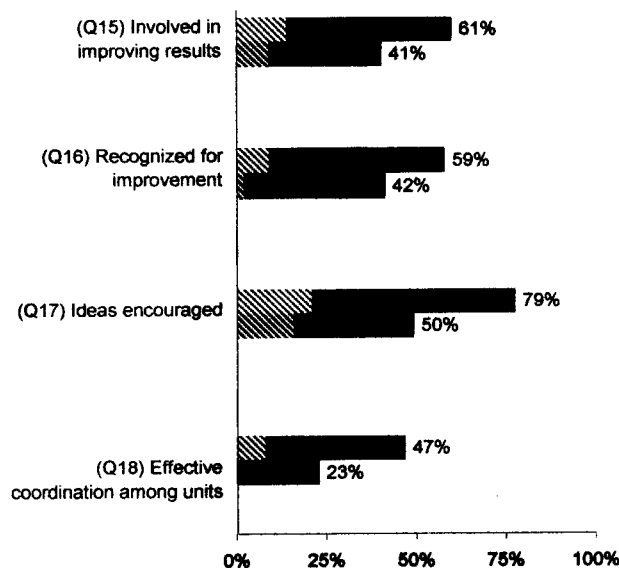
Strongly Agree Agree
 1st Bar : 2004

Strongly Agree Agree
 2nd Bar : 2003

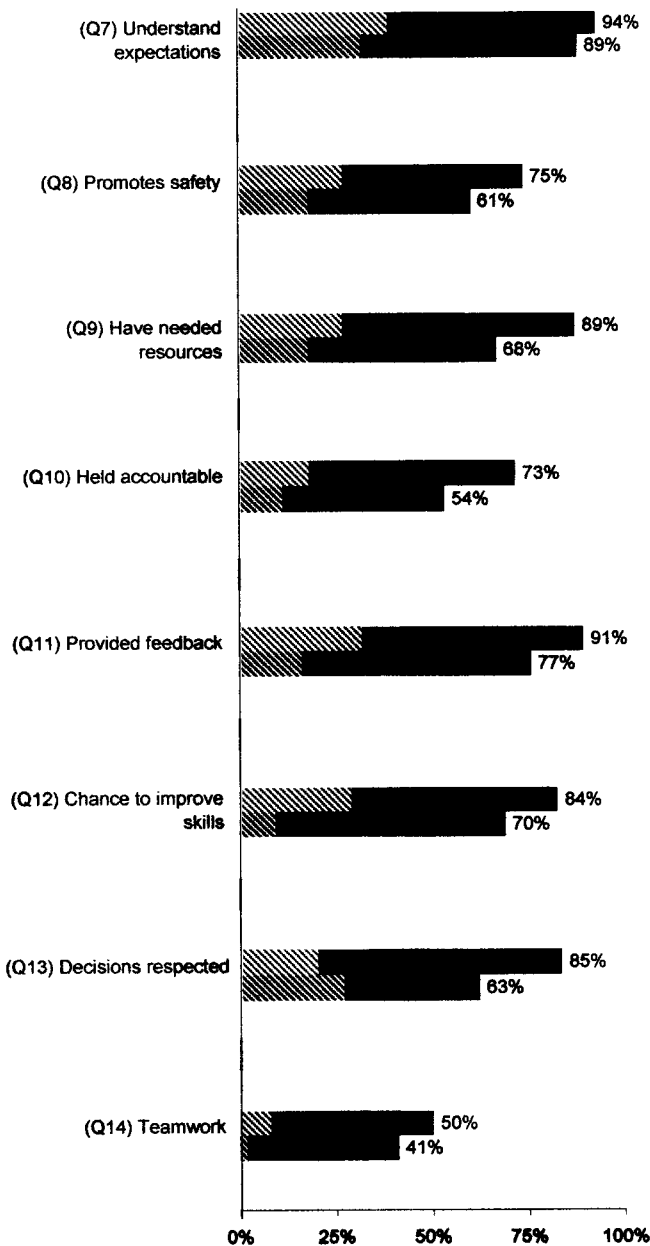
Informed & Engaged Workforce



Environment of Continuous Improvement



High Performance Work Team



2004 Sample Size: (66)
 2003 Sample Size: (44)

Percentages may not add to 100% because disagreement and no opinion data are not shown.

SPRINGFIELD IN-TOUCH SURVEY ACTION PLAN - 2003

IMPROVEMENT AREA (survey item selected):

QUESTION 14 - TEAMWORK

IDEAS THAT ARE "QUICK HITS"			
Ideas for Improvement	Who Will Do This	Start Date	Completion Date
1.CSR's need to identify themselves at time of call - consistency	Paula King and Michelle Hohenstein Pat through E-mail	June	Ongoing
2. Create guidelines for notating accounts			
IDEAS THAT BUILD ON EXISTING INITIATIVES			
Ideas for Improvement	Who Will Do This	Start Date	Completion Date
1. More positive communication from Management Team - Just a smile & hello - Emphasize positives	CCC Management Team	June	Ongoing
2. Create new procedure for Job well done, customer Kudo's, etc. - Cert. On bulletin board, copy to CSR - E-Mail to everyone	Team Leads	June	Ongoing
BRAND-NEW IDEAS			
Ideas for Improvement	Who Will Do This	Start Date	Completion Date
1. CSR Appreciation Day - Relieve Stress	Pat and Team Leads	July	July
2. Create Employee of Month Program	Team Leads	July	July

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-3: For each of the years since all Bay State customer service has been consolidated at the Springfield Call Center ("Call Center"), provide the annual customer service call volume to the Call Center.

Response: 2001 – 718,580
2002 – 693,334
2003 – 711,471
2004 – 747,544

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-5: For November 1999 to date, all seniority lists for the Call Center.

Response: Call Center Seniority Lists are updated periodically. Once updated, the older lists are no longer maintained. The oldest list in our file is dated August 2003 and the most recent is dated March 2005.

Attachment USWA-2-5 (a) is August 2003 Call Center Seniority List.

Attachment USWA-2-5 (b) is the February 2004 Call Center Seniority List.

Attachment USWA-2-5 (c) is the July 2004 Call Center Seniority list.

Attachment USWA-2-5 (d) is the March 2005 call Center Seniority list.

CALL CENTER SENIORITY LIST

EMP#	NAME	HIRE DATE	EMP#	NAME	HIRE DATE
471848	Holy Drew	6/25/1990	120987	Joyce Wilson	8/19/2002
472127	Pamela Thiesse	7/22/1992	120988	Mabel Yankah	8/19/2002
472229	Nancy Calnan	7/28/1993	120989	Nicole Walls	8/19/2002
472231	Marvin Brooks	8/9/1993	120990	Craig Kluiko	8/19/2002
472269	Deborah Federici	4/21/1994	473670	Martha Desautels	10/13/2002
472312	Darlene Bourgeoise	6/8/1994	473928	Syreeta Frazer	10/13/2002
472368	Maryann Teixeira	3/8/1995	121155	Cheri Stamps	3/24/2003
472369	Maryann Kelly	3/8/1995	121157	Angela Cruz	3/24/2003
473198	Elisa Lopez	10/20/1997	121158	Tracy Elliott	3/24/2003
473544	Jessica Watkins	3/30/1998	121160	Cara Carter	3/24/2003
473612	Kelly Rimondi	6/1/1998	121188	Tamesha Thomas	4/22/2003
473613	Helen Graves	6/2/1998	121190	Joelle Baron	4/22/2003
473614	Deborah Clark	6/3/1998	121191	Elizabeth Berta	4/22/2003
473618	Alisa Jackson	6/4/1998	121241	Lisa Schaarschmidt	6/30/2003
473616	Betty Boszko	6/16/1998	121242	Trini Jackson	6/30/2003
473661	Wade freeman	6/29/1998	121243	Mathew Rotte	6/30/2003
473684	Sharla Mcauliffe	7/22/1998	121244	LaShaunna Davis	6/30/2003
473686	Judy Thompson	7/27/1998	121246	Nakisha Thompkins	6/30/2003
473688	Gwen Szyszkiewicz	7/27/1998	121247	Angelica Rivera	6/30/2003
473829	Beatrice Ofori	2/22/1999	121318	Shaun Adams	8/18/2003
473840	Dorothy Welch	3/29/1999	121319	Nancy Cullen	8/18/2003
473958	Kaliope Gordon	7/22/1999	121320	Judy Dias	8/18/2003
473964	Cheawanda Crawford	8/16/1999	121321	Quiyonna Johnson	8/18/2003
473991	Michael Wood	10/25/1999	121322	Gladys Rivera	8/18/2003
474005	Vickie Telfair	11/12/1999	121323	Eileen Russell	8/18/2003
474047	Andrew Burgos	3/3/2000			
474069	Louise Findlater	4/11/2000			
474070	Janet James	4/11/2000		Service Senior Reps	
474071	Patricia Miller	4/12/2000	471039	Christine Engelson	3/28/1988
474072	Louis Tsounis	4/12/2000	471949	Donna Gendron	4/10/1991
474073	Lawanda Brown	4/13/2000			
474086	Teresa Carrasquillo	5/17/2000		Billing Senior Reps	
474087	Annie Howard	5/18/2000	471051	Patience O'Connor	4/11/1988
474089	Marisol Cotto	5/22/2000	471102	Jody Ajar	5/23/1988
474090	Caren Gordon	5/22/2000	471821	Helen VonMaluski	6/18/1990
474091	Laura Thomas	5/22/2000	471822	Charlotte Pahl	6/18/1990
474092	Cindy Waite	5/22/2000			
474114	Quetcy Capeles	8/1/2000		Rev/Rec Senior Reps	
			471634	MJ Smith	7/24/1989
			472233	Linda Haskell	8/16/1993
	revised 8/22/03				

Attachment USWA-2-5(b)
DTE 05-27
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CALL CENTER SENIORITY LIST

EMP#	NAME	HIRE DATE	EMP#	NAME	HIRE DATE
471634	MJ Smith	7/24/1989	121246	Nakisha Thompkins	6/30/2003
471822	Charlotte Pahl	6/18/1990	121318	Shaun Adams	8/18/2003
471848	Holly Drew	6/25/1990	121319	Nancy Cullen	8/18/2003
472127	Pamela Thiesse	7/22/1992	121320 pt	Judy Dias	8/18/2003
472229	Nancy Calnan	7/28/1993	121321	Quiyonna Johnson	8/18/2003
472231	Marvin Brooks	8/9/1993	121322 pt	Gladys Rivera	8/18/2003
472312 pt	Darlene Bourgeoise	6/8/1994	121323 pt	Eileen Russell	8/18/2003
472368	Maryann Teixeira	3/8/1995	121564 pt	Kelly Harris	2/16/2004
472369	Maryann Kelly	3/8/1995	121565 pt	Nichole Caron	2/16/2004
473198	Elisa Lopez	10/20/1997	121566 pt	Rhonda Spaulding	2/16/2004
473612	Kelly Rimondi	6/1/1998	121567 pt	Janet Goodman	2/16/2004
473613	Helen Graves	6/2/1998	902017 pt	Migdalia Ocasio	7/19/2004
473614	Deborah Clark	6/3/1998	902018 pt	Sharon Bejune	7/19/2004
473618	Alisa Jackson	6/4/1998	902019	Danielle Clark	7/19/2004
473616 pt	Betty Boszko	6/16/1998	902094 pt	Misty Timmons	7/19/2004
473661	Wade freeman	6/29/1998			
473686	Judy Thompson	7/27/1998			
473688	Gwen Szyszkiewicz	7/27/1998			
473829	Beatrice Ofori	2/22/1999		UNIVERSAL SR REPS	
473958 pt	Kaliopé Gordon	7/22/1999	471039	Christine Engelson	3/28/1988
473840	Dorothy Welch	3/29/1999	471051	Patience O'Connor	4/11/1988
473964	Cheawanda Crawford	8/16/1999	471102	Jody Ajar	5/23/1988
473991	Michael Wood	10/25/1999	471568	Maria Nunnally	6/26/1989
474005	Vickie Telfair	11/12/1999	471821	Helen VonMaluski	6/18/1990
474047	Andrew Burgos	3/3/2000	471949	Donna Gendron	4/10/1991
474069	Louise Findlater	4/11/2000	472233	Linda Haskell	8/16/1993
474070	Janet James	4/11/2000	472269	Deborah Federici	4/21/1994
474071	Patricia Miller	4/12/2000			
474072	Louis Tsounis	4/12/2000			
474073	Lawanda Brown	4/13/2000			
474086	Teresa Carrasquillo	5/17/2000			
474087	Annie Howard	5/18/2000			
474089	Marisol Cotto	5/22/2000			
474090	Caren Rose	5/22/2000			
474091	Laura Thomas	5/22/2000			
474092	Cindy Waite	5/22/2000			
474114	Quetcy Capeles	8/1/2000			
120987	Joyce Wilson	8/19/2002			
120988	Mabel Yankah	8/19/2002			
120989	Nicole Walls	8/19/2002			
120990 pt	Craig Kluiko	8/19/2002			
473670	Martha Desautels	10/13/2002			
121157	Angelica Cruz	3/24/2003			
121158 pt	Tracy Elliott	3/24/2003			
121160	Cara Carter	3/24/2003			
121190	Joelle Baron	4/22/2003			
121191	Elizabeth Berta	4/22/2003			
121241 pt	Lisa Schaarschmidt	6/30/2003			
121242	Trini Jackson	6/30/2003			
121244	LaShaunna Davis	6/30/2003			
				revised 7/9/2004	

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COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-8: To date, provide all documents informing, relating to or regarding any and all actions by the Company to prioritize customer service calls coming from New Hampshire and Maine. Further, identify any Call Center employees who were or are currently tasked with manning the "Maine and New Hampshire queue."

Response: Prior to December, 2003 – CSR's were trained primarily for either Bay State or Northern Utilities whereas CSR's may have been assigned either. In addition, CSR's were also trained and assigned primary skills including Billing, Credit and/or Service, with the service skill providing calls from Bay State and Northern Utilities.

December 2003 through present – The objective was and continues to be to universally train CSR's for both Bay State and Northern Utilities as well as for all the previously mentioned skills. However, periods have and currently exist, where a group of employees may initially be trained in a specific skill or jurisdiction or where complete universal training has not occurred. In addition, efficiencies gained through our phone switch have supported the methodology of universally training CSR's. Currently 100% of the CSR's within the Springfield Call Center can receive and handled some type of Northern Utilities' call.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-9: For January 1, 2004 to date, provide all documents consulted in, informing, relating to or regarding the decision and any subsequent action to assign Call Center employees exclusively to taking messages, rather than answering and performing all tasks necessary to complete customer service calls. Identify all employees assigned to taking messages exclusively, and provide the dates these individuals were assigned to taking messages exclusively. Additionally, state the date that Call Center personnel were first assigned to take messages exclusively.

Response: From time to time, Contact Center Representatives ("CSRs") are assigned the task of taking messages on the billing inquiry queue. The Company does not assign employees based on a "list"; assignments are made based on management judgment. No records are maintained regarding who is assigned to this temporary duty. No employee has been assigned exclusively the duties of taking messages on any queue within the Springfield Contact Center. Rather, when management assigns employees to take messages regarding billing inquiries, it is for relatively short periods of time, as a tool to manage peak-period call volumes.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Danny G. Cote, General Manager

USWA-2-12: For 1999 to date, state the total number of class 1, 2, and 3 gas leaks, respectively, repaired by the Company. Provide annual totals for the years 1999-2005.

Response: See Table USWA-2-12.

TABLE USWA-2-12

USWA 2-12	Massachusetts Leaks by Class			
	Class			
Year	1	2	3	Total
1999	1856	1249	740	3845
2000	1918	1408	450	3776
2001	1673	1327	421	3421
2002	1435	1266	482	3183
2003	1830	1508	332	3670
2004	1639	1796	243	3678
6/20/2005	590	653	274	1517

*Data from WOMS DOT Leak Report

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-14: For 2000-2003, state the total number of times the Call Center's telephone trunk line was shutdown. Provide annual totals for the years 2000-2003. Provide all documents consulted in, informing, relating to, or regarding the shutdown of the telephone trunk line. Identify all Company employees who were authorized to decide whether to shut down the telephone trunk line.

Response: The Company does not maintain records of trunk line shutdowns.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: June 30, 2005

Responsible: Stephen H. Bryant, President

USWA-2-22: For 1999 to date, provide all documents informing, regarding or relating to the Company's policy regarding part-time employees' access to health insurance and other employment benefits. This request includes, but is not limited to, any documents-- e.g., internal memoranda, e-mails, policy reports--that provide an assessment of the cost savings to be realized by filling positions with part-time rather than full time employees.

Response: For convenience, the following language was pulled from the two agreements in place from 1999 to date. The complete agreements can be found in Barkauskas Testimony Exhibit BSG/SAB-2 (current agreement) and AG 1-42 (prior agreement).

Current Agreement - May 15, 2004 – May 16, 2010

Agreement between Bay State Gas Company, Springfield Division and the United Steel Workers of America on behalf of Local Union No. 12026 Clerical Technical:

Article IV (Union Membership) Item 7 (Part-Time Employee Provisions)

(1) A part-time employee is one who is hired to regularly work less than thirty-two (32) hours per week.

(2) Regular part-time employees shall be paid on an hourly basis not less than the hourly rate of pay for their classification and experience on the job. Wage rate progression shall be applied on a pro-rata basis, counting all hours worked up to a maximum of forty (40) hours per week. However, a part time employee shall progress to the next step in a least one (1) year.

(3) Regular part-time employees who have completed six (6) months of service by September 1 of the calendar year, shall be entitled to one week of vacation with pay during the first year of employment. Regular part-time employees continuously employed by the Company who meet the service requirements indicated in Article VIII, Section 1, (Vacation) of this agreement by December 31 of the calendar year, shall be entitled to vacation during the calendar year with pay in accordance with Article VIII, Section 2. Vacation pay for part-time employees will be computed on a

pro-rate basis, based upon the number of regularly scheduled hours in the part-time employee's regular work week.

(4) Regular part-time employees who have been on the payroll of the Company for a minimum of six (6) months may purchase medical coverage at the full group rate. Such coverage must be purchased within one (1) month of attaining six (6) months of service or at the next open enrollment period. Payment for the succeeding months benefit must be delivered to the Human Resource Department by the 25th day of each month for the succeeding month or through payroll deduction.

(5) Regular part-time employees will be eligible for pro-rata Holiday and sick pay in accordance with Article IX, (Holiday Pay) & Article XII, Section 3, (Sick Pay) of this agreement if such Holiday falls on one of their regularly scheduled workdays. Holiday pay for part-time employees will be computed pro-rata based on the employees regularly scheduled daily hours. Additionally, regular part-time employees will be eligible for shift differential and the Saturday/Sunday allowances.

(6) Regular part-time employees may participate in the Company's pension and 401K plans as may be required by the Employee Retirement and Income Security Act (ERISA) of 1976, as amended.

Prior Agreement – January 9, 2000 - May 15, 2004

Agreement between Bay State Gas Company, Springfield Division and the United Steel Workers of America on behalf of Local Union No. 12026 Clerical Technical:

Article IV (Union Membership) Item 7 (Part-Time Employee Provisions)

(1) A part-time employee is one who is hired to regularly work less than thirty-five (35) hours per week.

(2) Regular part-time employees shall be paid on an hourly basis not less than the hourly rate of pay for their classification and experience on the job. Wage rate progression shall be applied on a pro-rata basis, counting all hours worked up to a maximum of forty (40) hours per week. However, a part time employee shall progress to the next step in a least one (1) year.

(3) Regular part-time employees who have completed six (6) months of service by September 1 of the calendar year, shall be entitled to one week of vacation with pay during the first year of employment. Regular part-time employees continuously employed by the Company who meet the service requirements indicated in Article VIII, Section 1, (Vacation) of this agreement by December 31 of the calendar year, shall be entitled to

vacation during the calendar year with pay in accordance with Article VIII, Section 2. Vacation pay for part-time employees will be computed on a pro-rate basis, based upon the number of regularly scheduled hours in the part-time employee's regular work week.

(4) Regular part-time employees who have been on the payroll of the Company for a minimum of six (6) months may purchase medical coverage at the full group rate. Such coverage must be purchased within one (1) month of attaining six (6) months of service or at the next open enrollment period. Payment for the succeeding months benefit must be delivered to the Human Resource Department by the 25th day of each month for the succeeding month or through payroll deduction.

(5) Regular part-time employees will be eligible for pro-rata Holiday and sick pay in accordance with Article IX, (Holiday Pay) & Article XII, Section 3, (Sick Pay) of this agreement if such Holiday falls on one of their regularly scheduled workdays. Holiday pay for part-time employees will be computed pro-rata based on the employees regularly scheduled daily hours.

(6) Regular part-time employees may participate in the Company's pension and 401K plans as may be required by the Employee Retirement and Income Security Act (ERISA) of 1976, as amended.